



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1258 (1955)

September 11, 1985

SUBJECT: Approval of Releases of Liability in Excess of  
\$25,000 for CONACT Loans to Individuals

TO: All State Directors, District Directors, County Supervisors  
and Director, Finance Office

PURPOSE/INTENDED OUTCOME

The purpose of this AN is to provide guidance for submission of request to the Administrator for approval of release of liability in accordance with FmHA Instruction 1955-A, Section 1955.10(f)(2) and Section 1955.20(b).

IMPLEMENTATION RESPONSIBILITIES

FmHA Instruction 1955-A, Section 1955.10(f)(2) states that a release of liability must be approved by the Administrator in all cases where the FmHA debt, less the market value and the prior liens, exceed \$25,000.

When submitting a case to the National Office for review by the Administrator, all items listed in FmHA Instruction 1955-A, Sections 1955.10(f)(2)(ii) and 1955.10(d) and the first two pages of Form FmHA 456-1 will be included with the case file(s).

When the release of liability is approved, the Administrator will re-delegate authority to execute Form FmHA 1955-1 indicating that the borrower is to be released from liability, and satisfy the note(s) in accordance with FmHA Instruction 1955-A, Sections 1955.10(h)(1) and/or 1955.20(b)(2). This delegation will be to the approval official who has conditionally approved the voluntary conveyance by memorandum in accordance with Section 1955.10(f)(2)(ii)(B) of FmHA Instruction 1955-C. This delegation will be contingent upon the closing of the conveyance in accordance with FmHA Instruction 1955-A, Section 1955.10(g).

If you have any questions concerning this AN, please contact Galen Van Vleet on FTS 475-4003.

VANCE L. CLARK  
Administrator

EXPIRATION DATE: July 31, 1986

FILING INSTRUCTION: Preceding  
FmHA Instruction 1955-A



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Secretary of Agriculture, Washington, D.C. 20250